



Title: Title I, Payroll/Personnel Manual

Chapter:

Bulletin: Title I, 09–27, Qualified Transportation Fringe Benefits

Date: December 4, 2009

To: Holders of the Payroll/Personnel Manual
Personnel User Groups
Agency Personnel Offices

For 2010, the fringe benefit for parking fees and the transit benefits allowance will remain \$230 per month.

Internal Revenue Service (IRS) regulations state that employee parking subsidies over \$230 and transit subsidies over \$230 are considered taxable fringe benefits. An agency's Time and Attendance (T&A) reporting system can be used to record a parking or subsidy fringe in excess of the IRS limit. This is done via Transaction Code (TC) 17 with Prefix 9 for Parking Subsidy, or TC 17 with Prefix 10 for Transit Subsidy. When entering employee parking or transit subsidies on the T&A, the benefits may be recorded biweekly, monthly, quarterly, semiannually, or annually (in accordance with agency policy) and must be reported by the end of the tax year.

In addition to the T&A option, some agencies utilize the reporting of the parking fringe in excess of the IRS limit of \$230 (i.e., taxable portion) via the Parking Fringe allowance (Type 179). When using the Entry, Processing, Inquiry, and Correction System (EPIC), EmpowHR, or an Agency Front–End System Interface (FESI) to record the taxable portion of this fringe benefit, the amount entered in the Allowance Rate field will be reported each pay period until deleted. The allowance record can be processed via the following methods:

- EPIC, Payroll Document, Allowances
- EmpowHR, Payroll Document Menu Group, Allowances Component
- FESI, Allowance Document 127 Data Record Layout

Note: Agencies should not enter employee parking or transit subsidies using both the T&A and EPIC, EmpowHR, or FESI. If two methods are used, the T&A will be suspended. Therefore, timekeepers should check with their servicing personnel office before entering this information on the employee's T&A.

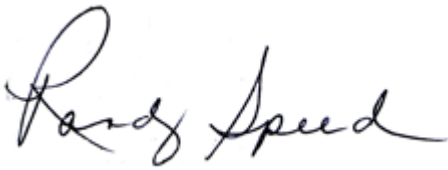
In situations where the agency does not pay the employee's transit or parking subsidy, the employee can report his/her payment of that transit or parking expense as pre–tax on his/her taxes. This is handled via the processing of an allowance record with allowance type 525 "Transit Benefits (Non Taxable)" and allowance type 526 "Parking Benefits (Non

Taxable)". When using EPIC, EmpowHR, or FESI to enter these benefits, the amount entered in the Allowance Rate field will be reported each pay period until deleted. The allowance record(s) can be processed via one of the following methods:

- EPIC, Payroll Document, Allowances
- EmpowHR, Payroll Document Menu Group, Allowances Component
- FESI, Allowance Document 127 Data Record Layout

The EPIC, EmpowHR, FESI, and Time and Attendance Instructions (TNAINST) procedures, which are available online at the National Finance Center (NFC) Web site, are being updated to include the information in this bulletin. The Latest Update Information section at the beginning of each procedure provides a summary of the update. To view and/or print the procedure, go to the NFC home page (www.nfc.usda.gov) and click the **Publications tab**. Then on the right-hand **Quick Picks** menu, click **Bulletins By Acronym**, and search for **EPIC, EmpowHR, FESI, or TNAINST**. If you prefer a printed copy and are unable to print from the Web, you can request a printed copy by submitting Form AD-1083, Request for Action for Procedures/Reports, to the address or fax number printed on the form.

For questions about NFC processing, contact the Payroll/Personnel Call Center at **504-255-4630**.



for

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